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SECURITY INFORMATION

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C. H. S. [unclear]*

7 January 1952

MEMORANDUM

TO: Chief, SR Division

FROM: SR/West [] []

SUBJECT: Discussions with [] [], December 27 - January 2

CARCASS

[] [] stated that he felt that the agent potential of NTS was very good. He felt that NTS could recruit as many as 100 agents within the next two year.

He feels that NTS puts a higher priority on the CARCASS operation than either SPAIN or RADIO.

He feels that Posdeyev's attitude towards the AIS role in CARCASS has been satisfactorily straightened out. No more trouble is anticipated along these lines.

The recruitment of agents for CARCASS has never gotten into high gear because the recruitment plan has never been approved at headquarters. [] [] has proposed that Kakluga recruit in the U.S.A. for both WARNACK and CARCASS.

In reference to the unfavorable carriage assessment of Slavnov, [] [] feels it would be unfortunate to drop him as an agent candidate now without more evidence of his inability to do the job. [] [] will, however, bring the AIS estimate of Slavnov to the attention of the NTS. If Slavnov does not appear to be doing well in the school, [] [] will recommend to NTS that he be transferred to another type of work such as RADIO or SPAIN.

BERLIN OPS

NTS runs 12 small German nets which are probably British-supported. So far no Russian defectors have been produced. NTS maintains that the British do not support the Hamburg Committee for Aid to Russian Refugees but the British say they do. The NTS man who runs these nets is Olgsky. The direction of the Hamburg Committee lies in the hands of Trusnovich's son. Trusnovich himself has a reputation for garrulousness and is considered a poor security risk and is therefore cut out of all operations.

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Three NTS members are involved in these [] 'besides Olgsky). Our sole representative in Berlin is [] (Oxford background) whom [] says is a good man for the job.

SPAIN and RADIO

[] feels the German distribution nets have done a good job. He pointed out that NTS has worked out a system where these nets check on each other's work. He does not feel that the radio broadcasts are very effective.

NTS vs. QKACTIVE

While [] feels that the NTS leadership could not, if it wanted to, support QK in its present form because of resistance of NTS rank and file, he definitely feels that under the right conditions, NTS can and must be made to join. Given the right conditions, NTS will join willingly. The "right" conditions consist of: adherence to the principle of non-determination; exclusion of "unreasonable" minority groups, i.e., out-and-out separatists; a more conciliatory attitude by the League.

Given these "right" conditions [] is willing to gamble the whole operation in the following manner. He would deliver an ultimatum to NTS setting a two month deadline and giving them a certain sum, say 50,000 DM's to propagandize the NTS membership. Either NTS would join QKACTIVE by that deadline or else we would withdraw all support.

[] obviously feels that our control over NTS is very strong and would never gamble his year's work unless he felt certain of the outcome. The only difficulty he envisions is NTS control over its membership which is evidently not as strong as many seem to think. He is certain, however, that under the "right" conditions they can be swung around.

CE and PHYSICAL SECURITY PROBLEMS

Perhaps one of the most serious matters brought to light during [] short visit was this matter of protecting NTS headquarters from RIS penetration and leading personnel of NTS from RIS action. The Okolovich kidnapping attempt is still fresh in our minds and yet nothing very much has been done to prevent such attempts in the future. It is anticipated that when NTS moves its headquarters to Frankfurt security will be improved greatly.

At the present time NTS has no safe facilities and only one strong-box for secret papers. The members work in their rooms. NTS does run a small German counter-surveillance team which [] says is not adequate for the job. [] to submit a plan for improving physical security of NTS headquarters and installations soonest; [] heartily agreed to do so.

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[] has never been able to work out any emergency liason contact with CID in case another RTS kidnapping attempt should arise. If another snatch were attempted, [] would have to inform CID and blow himself to them. A junior case officer assigned to [] could handle this job for him on a continuing basis.

According to [] the BAZIKOV case consumed a tremendous number of man hours and deterred many AIS personnel from doing necessary and important jobs. According to [] the best procedure to have followed would have been the one [] recommended: drop him right off the bat. Here again, a junior case officer would have been a great help to [] He needs a junior case officer very badly for translation work and liaison work.

The allegations contained against Florov in the Austrian police files were brought to the attention of [] whose initial reaction was that the charges appeared without foundation. He recommended a carriage test for Florov and said he would discuss his case in light of these charges with NTS.

Again in regard to the physical security of NTS installations and personnel, [] if he thought some sort of a guard service would be practical. The latter agreed but felt that any guards should be NTS people and not Germans.

GENERAL

Both [] and NTS want Boldyreff to come to Germany as quickly as possible. NTS admits they cannot control his actions here and will be an asset in Germany whereas here he is apt to be a liability. When we told [] that Boldyreff claimed to have a list of 15 agent prospects for both WARNACK and CARCASS, [] reaction was most violent.

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Narrative Summary of AIS Relationship with NTS

Background

Initial contact between this agency and NTS took place in May 1950 through support of NTS's anti-Soviet newspaper, Possev, which is published in Germany and distributed both overtly in Western Germany and covertly in Eastern Germany among Red Army personnel. NTS was not aware at the time that funds were supplied by a U. S. government source.

Upon further appraisal of the NTS's operational potential and organization, this agency decided to contact NTS to discuss support of its overt and covert activities.

A joint project was drawn up by OPC/OSO for the exploitation of NTS and on January 6, 1951, our case officer, [] arrived in Germany to contact NTS leaders.

After further investigation of NTS and after several meetings with their leaders under cover, [] became convinced that we could work securely and to advantage with NTS and made his AIS connections known in March 1951 to the members of the Secret Staff of NTS. They heartily welcomed the idea of cooperating with the AIS and almost immediately presented [] with an operational plan known as Petya-8.

Operational Background of NTS

At the time [] contacted NTS, the group had engaged in the following types of anti-Soviet operations from Germany:

1. Had published anti-Soviet propaganda in its party newspapers, pamphlets, etc. Since 1947, whenever the opportunity presented itself, NTS distributed anti-Soviet literature among Soviet personnel in the Eastern Zone through the medium of German nets it supported and partially controlled.
2. A few leaflet operations had been carried out by NTS members in Austria, usually under the sponsorship of the U.S. CIC.
3. In February 1951, NTS began to broadcast "black propaganda" beamed at the Red Army in Eastern Germany and in the Satellites, from a station it owned and operated in the British Zone (station is now located in the U.S. Zone).
4. NTS claims to have established agent networks in the USSR during World War II in the wake of the invading German Army.

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NTS Operational Plan - Petya-8

Petya-8 consisted primarily of three operational plans. They may be described as follows:

SPAIN: This operation called for an expansion and intensification of the covert distribution of anti-Soviet literature in the Eastern zones of Germany and Austria. The primary target of this propaganda was to be Soviet military personnel stationed in Germany and Austria. The goal, of course, being to subvert in place and defect as many Soviet military personnel as possible, with the ultimate hope of creating agent nets capable of penetrating the territory of the USSR.

RADIO: This program called for the support of the present $\frac{1}{2}$ kw station already in operation. In addition to this, support was asked for the construction of two other stations ($\frac{1}{2}$ kw) and one 2kw station as well as mobile radio transmitters to be used along the border.

CARCASS: NTS proposed an agent penetration program which envisions the use of NTS members supported and controlled jointly by NTS and AIS. NTS desired a joint operation with AIS in every sense of the word. They wished to participate on an equal basis with us in the training program, in mission planning and in briefing and debriefing. Our position regarding agent operations was however, that NTS would be responsible for motivation and morale of agents and, while we would welcome advice and assistance from them in training and operations, final responsibility for all technical aspects of training and operations, including security and communications, rests with us.

We agreed that for all other operations, such as leaflet dissemination and clandestine radio activities, NTS would have responsibility for both effectiveness of operations and security; we would offer guidance and active assistance when we considered such to be necessary.

Within this general framework, the following specific conditions would apply to agent training. The NTS Secret Staff would (1) participate in making general arrangements for agent operations (2) be responsible for agent recruitment (3) be expected to submit data on target possibilities from which actual targets will be selected (4) be consulted on any basic changes in the agent program, and (5) be isolated from knowledge of specific details of operations, such as actual targets, times of dispatch, etc.

To offset the fifth condition, it was agreed that one member of the Secret Staff would be allowed full cognizance of operational details.

Recent Developments re Carcass

One disturbing development took place in regard to the agent penetration program. Yevgeni POSDEYEV had been considered for the post of NTS resi-

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dent supervisor for the Carcass school but was turned down by the field because of a lack of operational experience; he has been out of the USSR too long to be effective in such a post. Okolovich, the Carcass representative of the Secret Staff, accepted our rejection of Posdeyev on these grounds, but urged that he be used in liaison capacity between the field and the Secret Staff in matters relating to Carcass and also assist as an instructor in the Carcass school. Okolovich emphasized that his job was too much for him to handle alone and he felt that Posdeyev could be of great assistance to him.

Word from [] however, indicates that Posdeyev may have been a poor choice for any job in that he has expressed the following views which are strongly at variance with our own:

(1) CARCASS is and should be an NTS-run program with maximum support but minimum direction by AIS

(2) He has slurred the patriotic motivation of our case officers in the field and has insisted that NTS people are the only patriots

(3) He has stated he would allow no agents to be recruited for purely intelligence-gathering missions.

Latest word from the field indicates that Posdeyev's views are definitely not those of the NTS Secret Staff (who for all intents and purposes is the NTS for covert ops) who still adhere to the original concept as laid down by Okolovich. Okolovich, incidentally, reacted very noticeably on his carriage test to questions concerning belief in the NTS line. This may be an indication that Okolovich will continue to agree to the AIS concept of agent missions and can be depended upon to bring his subordinate Posdeyev in line.

To clarify matters, however, Okolovich is drawing up a protocol to that effect. If Posdeyev will not sign and agree to it, Posdeyev must go.

Training - CARCASS

The CARCASS training school commenced this October 1 with three agents on board and a fourth on the way. Instructors for the course consist of two Russian-speaking American case officers and two NTS men. The NTS instructors will be teaching only NTS ideology.

Provisional Operational clearances have been obtained for the first three agents and the instructors. It is expected that two more agents will be enrolled in the program soonest and that at least six agents will be ready for dispatch by late spring or early summer 1952.

As far as the caliber of agents recruited to date, Okolovich has admitted to us that they are not the cream of the crop and had indicated he is holding the best candidates back until he determines ability of AIS to perform in this kind of work.

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